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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	Case No. 05-CV-1114 JW **ECHOSTAR'S POST-HEARING BRIEF REGARDING ACACIA'S MOTION FOR RECONSIDERATION AND CLARIFICATION OF THE JULY 12, 2004 *MARKMAN* ORDER** Date: September 8-9, 2005 Time: 9:00 a.m. Courtroom 8 Hon. James Ware

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INTRODUCTION

The hearing conducted on September 8-9, 2005, further demonstrated that Acacia's motion for reconsideration should be denied. The hearing confirmed that the term "sequence encoder" has no ascertainable meaning. In particular, Acacia's constantly changing proposed constructions of the term highlight the futility of attempting to construe it. Acacia's arguments not only changed *before* the hearing, they changed *at* the hearing. The hearing also demonstrated that the term "identification encoder" cannot be construed — even Acacia's expert could not agree with Acacia's proposed construction. And Acacia has presented no persuasive reason to reconsider the terms "transmission system," "transmission system at a first location," and "reception system at a second location." Acacia has been given yet another opportunity to present arguments and evidence regarding the *Markman* Order and has been unable to show any error in the Order. Therefore, Acacia's motion should be denied.

ARGUMENT

A. "Sequence Encoder"

The hearing confirmed that the term "sequence encoder": (1) had no meaning in the art when the application was filed, and (2) is not used in the specification. *See* Tr. at 64-65. Thus, Acacia relies almost exclusively on the testimony of its expert, Mr. Weiss. Of course, it is well established that expert testimony cannot contradict the intrinsic record and should, in all cases, be used with caution. *See, e.g., Phillips v. AWH Corp.*, 415 F.3d 1303, 1318-19 (Fed. Cir. 2005); *see also Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1584 (Fed. Cir. 1996) (extrinsic evidence "may not be used to vary or contradict the claim language"). As demonstrated below, even if the Court considers Mr. Weiss's testimony, it is of no help to Acacia.

1. Even Acacia Cannot Determine what "Sequence Encoder" Means

Acacia asserted at the hearing that the meaning of "sequence encoder" is "absolutely clear" and "can't be the subject of reasonable dispute." *See* Tr. at 396-97. However, Acacia's inability to provide a consistent construction of the term belies these bold assertions. As described at the hearing (*see* Tr. at 264-71), Acacia has proposed a series of constructions for "sequence encoder," but its proposals have little in common with one another and change the moment a problem is discovered. *Id., see also New Destiny* Br. at 9-11. In particular, Acacia previously argued that the term "sequence encoder" had a common meaning to those of skill in the art in 1991. *See* Tr. at 265.[1] Now, of course, Acacia argues exactly the opposite. Acacia's changing proposals demonstrate that the term has no ascertainable meaning.

2. Acacia Cannot Overcome the "Claim Differentiation Problem"

As Echostar showed in its brief, a fundamental problem with Acacia's motion for reconsideration is that if the Court accepts Acacia's proposed construction of "sequence encoder," Claim 1 and Claim 7 would have precisely the same scope. Acacia argued that Claim 1 is broader than Claim 7 because Claim 7 requires the sequence encoder to transform digital data blocks into a "group" of addressable data blocks. *See* Acacia Br. at 18-19; *see also* Tr. at 165-66. In other words, the difference was the addition of the term "group," which made the scope of the two claims different. Of course, this was a new argument that Acacia had just thought up, as it was never raised in the *New Destiny* litigation and was not in Mr. Weiss's declaration. *See* Tr. at 233.

Acacia abandoned its "group" distinction at the hearing. Mr. Weiss was forced to concede on cross-examination that in his declaration he described the portion of the patent specification that used the term "group of addressable data blocks" as disclosing a "sequence of addressable data blocks." *See* Tr. at 233. Moreover, Mr. Weiss acknowledged that as described in the specification, the "time encoder" transforms digital data blocks into "a group of addressable data blocks":

> Q: Does the time encoder in the patent transform digital data blocks into a group of addressable data blocks?
>
> A: Certainly it must because the sequence encoder and the time encoder are essentially the same thing.

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[1] Acacia's asserted basis for this reversal was the panel decision in *Phillips*. However, nothing in the *Phillips* case has any bearing whatsoever on whether a particular term in the '702 patent does or does not have a plain meaning to skilled artisans at the relevant time. The *Phillips* case was simply a fig leaf to cover Acacia's positional U-turn.

Tr. at 236. Moreover, in order for the "sequence encoder" to create "groups" under Acacia's proposed construction, it must either add non-time information to the time stamp or it there must be a separate external database that keeps track of the "groups." *See* Tr. at 233-35. As Mr. Weiss conceded, none of this is described in the patent. *Id.* at 235.

In short, Mr. Weiss's cross-examination demonstrated that the purported distinction between "a group of addressable data blocks" and "a sequence of addressable data blocks" was contrived and inconsistent with the specification. As a result, Acacia abandoned this theory entirely, arguing instead that claim differentiation had little to do with the construction of the term because it is just a "guide," and the drafters of the Acacia patents may simply have been "sloppy." *See* Tr. at 398.[2] Acacia then proceeded to speculate what may have been in the mind of the drafter when the claims were being prosecuted in the PTO. *Id.* at 399-402. This is not the way claims are construed. Acacia has provided no legal support for the notion that a Court can disregard the intrinsic evidence because of hypothesized "sloppy" drafting.

Acacia also made the argument that Claims 1 and 7 were different because in Claim 1 the "sequence encoder" was *capable* of performing the function of Claim 7, but simply did not do it, whereas in Claim 7 that function is *actually* performed. However, there is no support in the specification or claims for this argument. In any event, it does not address the actual claim differentiation problem: under Acacia's proposed construction, the scope of Claims 1 and 7 is identical. For that reason alone, Acacia's proposed construction should be rejected.

3. Mr. Weiss Does Not Help Acacia

Acacia's argument rests on the testimony of Mr. Weiss and his testimony at the hearing demonstrated that Acacia is wrong. Mr. Weiss relies on erroneous assumptions and his conclusions contradict the specification and the claims. Moreover, his "methodology" is flawed and has not been approved by any court.

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[2] At the hearing, Acacia also stated that the arguments regarding claim differentiation are legal arguments that begin "outside" of the patent. *See* Tr. at 398. This is incorrect. Claim differentiation flows from the language and structure of the claims, and is part of the intrinsic evidence that generally resolves issues of claim construction. *See Phillips* 415 F.3d at 1314-15 (collecting cases).

Acacia still has provided no explanation for its experts' assumption that "sequence encoder" must be read as a synonym for a term actually used in the specification. This premise simply assumes the conclusion. Moreover, it is inconsistent with the understanding of one of skill in the art at the time. Such a person would have assumed the opposite: different terms have different meanings. *See* Lippman Decl., ¶ 70. As EchoStar discussed in its brief, when a patentee uses different terms in the same claim it is permissible to infer that he intended his choice of different terms to reflect a differentiation in the meaning of those terms. *See* EchoStar Br. at 13 (citing *Bancorp Servs., L.L.C. v. Hartford Life Ins. Co.*, 359 F.3d 1367, 1373 (Fed. Cir. 2004); *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 93 F.3d 1572, 1579 (Fed. Cir. 1996)).

Mr. Weiss's unstated assumption is particularly suspect because he conceded that there are other possible meanings for the term "sequence encoder." For example, Mr. Weiss stated that in 1991 there were other devices with similar names that performed "sequencing" functions that are unrelated to time. Specifically, Mr. Weiss agreed that in 1991, there was a device that applied what was commonly called a "sequence counter" to a packet header to keep data packets in the proper order when sent through communications channels. *See* Tr. at 213-14. These "sequence counters" could be used to sequence data packets in a manner that was unrelated to time. *Id.* Thus, Acacia's methodology of assuming its own conclusion means that it ignores other alternatives for the undefined term "sequence encoder," such as a "sequence counter applicator," that were known to those of skill in the art at the time.

A construction of the term "sequence encoder" that does not conflate it with "time encoder" is also compelled by the specification. The specification is clear that there are several types of "sequence" encoding, only one of which is "time" encoding. The patent specifically states: "The *preferred* addressing scheme employs time encoding." *See* '702 patent at 7:59-60 (emphasis added). The patent further states that the invention *preferably* contains an "ordering means" and that the *preferred* embodiment includes a "time encoder." *Id.* at 7:53-54. Thus, the specification indicates that a time encoder is merely one of several ways that data blocks can be sequenced. At the hearing, Mr. Weiss confirmed this reading of the specification. *See* Tr. at 223.

Mr. Weiss also opined that the term "sequence encoder" really means "time encoder" because the '702 patent is fundamentally about audio/video and such information is naturally organized by time. *Id.* at 223-24. But on cross-examination, Mr. Weiss admitted, as he had to, that the patent is not limited to audio/video data. Rather, the patent also purports to include still pictures, books, computer tapes, and musical instruments. *Id.* at 224; *see also* '702 patent at 6:8-12. Such things need not be sequenced by time. Indeed, it is difficult to imagine how some of these items, a still photo, for example, would be sequenced by time. And there are other, more logical ways to sequence such information, such as organizing books by page number. Thus, Acacia's argument that the "sequence encoder" is simply the "time encoder" is contradicted by the specification in this respect as well.

Additionally, the "process of elimination" methodology employed by Mr. Weiss is flawed and has never been adopted by the Federal Circuit. *See* EchoStar Br. at 12-13. Simply claiming, as Acacia did at the hearing, that this approach utilizes "a scientific method" does not make it so, nor does it make it consistent with the rules of claim construction set forth by the Federal Circuit. Acacia's argument that "sequence encoder" is a "coined term" is undermined by Mr. Weiss's testimony that such terms are used to express a thought or concept that had not been communicated before. *See* Tr. at 66. Of course, Acacia's position is that "sequence encoder" means "time encoder" so there never was a "new" concept that needed to be communicated by creating a "coined term."

4. The *Bancorp* Case Is Inapposite

Acacia relies on *Bancorp Servs., L.L.C. v. Hartford Life Ins. Co.*, 359 F.3d 1367(Fed. Cir. 2004), but that case is not on point. In *Bancorp*, the Federal Circuit held that the meaning of the term "surrender value protected investments," which was not defined in the specification, could be ascertained "with reasonable confidence" using the conventional tools of claim construction and, therefore, was not indefinite. The Court held that the term meant the same thing as a term used in the specification, "stable value protected investment." In that case, both the specification and the claims suggested a single meaning for the term and the Court did not need to resort to extrinsic evidence. *Id.* at 1374. In particular, the Court found a "close correspondence" between the two terms in the claims and specification. *Id.* at 1373-74.

Here, in contrast, the claims demonstrate that the "sequence encoder" and the "time encoder" *cannot* be the same thing.[3] For example, construing the claims as Acacia proposes would violate the doctrine of claim differentiation, an issue not present in the *Bancorp* case. *See supra* at 2-3. The specification also explicitly states that time is merely one of several method of sequencing data. *See supra* at 4. Moreover, the specification clearly states that non-audio/video items may be part of the source material library and many of these items, such as books and musical instruments, are not amenable to time encoding. *See supra* at 4-5. Nor is it "reasonably clear" (*Bancorp*, 359 F.3d at 1372) that "sequence encoder" should be read to mean "time encoder," as Acacia's numerous and differing claim construction proposals demonstrates. *See supra* at 1-2. Thus, unlike the *Bancorp* case, the specification of the '702 patent makes clear that the term "sequence encoder" in the claims is *not* synonymous with the "time encoder" in the specification.

B. "Identification Encoder"

The hearing also confirmed that the term "identification encoder" cannot be construed. Like sequence encoder, the hearing confirmed "identification encoder" had no ordinary meaning to those of skill in the art in 1991. *See* Tr. at 64; *see also* Lippman Decl., ¶ 20. As demonstrated by Mr. Weiss's testimony at the hearing, the "identification encoder" is laden with numerous unrelated functions. These many ill-defined and disparate functions make it impossible to determine what the term "identification encoder" means, particularly since the specification does not disclose any apparatus that performs all of these functions. The impossibility of construing this term is highlighted by the fact that Acacia's two experts proposed different constructions. *See* Lippman Decl., ¶¶ 35-47.

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[3] Acacia also argued that this case was analogous to a claim that used the term "lawyer" in the claims but the term "attorney" in the specification, or vice-versa. *See* Tr. at 410-11. This analogy fails because both terms have a commonly accepted meaning whereas the term here has no such meaning.

According to Mr. Weiss, the "identification encoder" has a litany of functions, including: receiving information from a source material library, assigning a unique identification code to retrieved information for storage in compressed form, storage encoding, logging of details about an item, assigning a file address to an item, indexing songs, applying popularity codes, and accessing a master item database to track and describe items in compressed data libraries. *See* Weiss Decl., ¶ 43. There are other functions as well, yet the specification identifies no structure to perform these functions. *See* Lippman Decl., ¶¶ 30-32. As a result, the "identification encoder" is simply a black box that supposedly performs numerous unrelated tasks.

Acacia attempts to categorize the various functions of the "identification encoder" by labeling some functions "mandatory" and some "optional." *See, e.g.*, Tr. at 118-19. However, Acacia ignores the many functions assigned to the "identification encoder" by the specification and provides no explanation for the pick-and-choose approach. *See* Lippman Decl., ¶ 36. In fact, at the hearing, even Mr. Weiss could not agree with the construction proposed by Acacia:[4]

> Q: Would that hypothetical person, assuming he knew everything that you testified to in the patent described and understood an identification encoder simply to be a structure that assigns a unique identification code, would you disagree with that?
>
> A: There would be a lot more than that.
>
> Q: What else would be in it?
>
> A: The description would include information about the input and it would include information about the output and it would include information about the variety of functions that are possible within the identification encoder.

Tr. at 144. Thus, Acacia's own expert agrees that a definition of "identification encoder" must account for the "variety of functions" supposedly performed by the "identification encoder." Because of these diverse functions and the fact that there is no disclosure of any structure or apparatus to perform these supposed functions, the term "sequence encoder" is not reasonably amenable to construction.

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[4] There are several stenographic errors in this section of the transcript and the following quotation fixes some of the obvious errors.

C. "Transmission System" and Related Terms

Acacia's proposed modification of the Court's construction of "transmission system" would create confusion, and Acacia has presented no persuasive justification for its proposal. As defined by the Court in the *Markman* Order (and noted at the hearing (Tr. at 375)), there is no limitation regarding whether the "transmission system" is at one location or more than one location. Because some claims also contain the term "transmission system at a first location," which, properly construed, means that the transmission system is at a *single* location, Acacia's proposed revision would only serve to introduce confusion into the claims. Thus, Acacia's asserted justification — potential jury confusion — counsels *against* Acacia's proposed construction.

Acacia's fallback position — that the Court should define the term differently for the '992 and'702 patents (Tr. at 374) — is also flawed. As the Federal Circuit has held, "the same terms appearing in different portions of the claims should be given the same meaning unless it is clear from the specification and prosecution history that the terms have different meanings at different portions of the claims." *Fin Control Sys. Pty, Ltd. v. OAM, Inc.*, 265 F.3d 1311, 1318 (Fed. Cir. 2001); *see also Epcon Gas Sys. Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1031 (Fed. Cir. 2002) (collecting cases) ("The same term or phrase should be interpreted consistently where it appears in claims of common ancestry."). Acacia has provided no justification for construing the term "transmission system" differently in different patents.

Acacia's arguments regarding "transmission system at a first location" and "reception system at a second location" are similarly flawed. Acacia attempts to deconstruct the individual words of these phrases to justify a meaning completely at odds with the terms as a whole.[5] Because the terms read in proper context mean "a transmission system at one particular location separate from the location of the reception system," Acacia's arguments regarding these terms should be rejected. *See* EchoStar Br. at 2-4.

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[5] The fact that the claim includes the transition term "comprising" is of no help to Acacia. *See* EchoStar Br. at 3.

CONCLUSION

For the reasons set forth above, Acacia's motion to reconsider should be denied. If the Court determines that any term cannot be construed, the parties should be permitted to file short requests that the claims be invalidated on the grounds of indefiniteness.

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